

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE: §
§ CASE NO. 20-33163
CEC ENTERTAINMENT, INC., *et al*¹, § Chapter 11
§
Debtors §

**HAL PROPERTIES, LLC'S LIMITED OBJECTION TO DEBTORS' EMERGENCY
MOTION FOR ENTRY OF ORDER (I) EXTENDING TIME FOR PERFORMANCE OF
OBLIGATIONS ARISING UNDER UNEXPIRED REAL PROPERTY LEASES
AND (II) GRANTED RELATED RELIEF**

TO THE HONORABLE MARVIN ISGUR, UNITED STATES BANKRUPTCY COURT:

HAL Properties, LLC (“HAL”) files this Limited Objection to Debtors’ Emergency Motion for Entry of Order (I) Extending Time for Performance of Obligations Raising Under Unexpired Real Property Leases and (II) Granted Related Relief, as follows:

1. HAL is the owner of certain real property located in Chattanooga, Tennessee, and is the Landlord and creditor of CEC Entertainment, Inc. (“CEC”) for CEC’s use of property located at the Northgate Shopping Center, 22 Northgate Park, Chattanooga, Tennessee (the “Premises”). Debtor is the lessee under a Lease Agreement originally dated April 5, 1982, as amended and modified thereafter (the “Lease”). The monthly rent due under the Lease is \$12,716.95.²

2. Though open and operating since the Petition Date, CEC has failed to pay any postpetition rent to HAL under the Lease. CEC continues to utilize the Premises for a restaurant,

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://cases.primeclerk.com/cecentertainment>. The location of Debtor CEC Entertainment, Inc.’s principal place of business in these chapter 11 cases is 1707 Market Place Boulevard, Suite 200, Irving, Texas 75063.

² The Lease also requires payment of certain “Triple Net” charges as well as Percentage Rent if certain gross sales levels are met.

and the related game room operations have also been open. Additionally, CEC failed to pay rent on a pre-petition basis from April 1, 2020 through the Petition date.

3. HAL had been negotiating with Hilco, acting on behalf of CEC, for modified Lease terms prior to the Petition Date, though no agreement was ever executed. Earlier this month HAL sent e-mails both to Hilco and CEC's counsel asking for information concerning what CEC intended to do, but has received no response.

4. HAL did not oppose the Court's original extension of CEC's time to commence performance and payment of rent under the Lease. Though HAL did not attend the August 3, 2020 hearing, as is apparent from the transcript of that hearing, there was some indication that CEC may seek additional time beyond the sixty (60) day period for delaying rent payments permitted by 11 U.S.C. §365(d)(3). On the face of the statute, there is no provision allowing an extension of the sixty (60) period, and the case law, as reflected in the other objections and responses filed in this case, does not support the notion that there is authority to extend the sixty (60) day period.

5. Accordingly, should the Debtors seek extension of the sixty (60) day period permitted by 11 U.S.C. §365(d)(3), HAL objects.

Respectfully submitted,

WALLER LANSDEN DORTCH & DAVIS, LLP

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ATTORNEYS FOR
HAL PROPERTIES, LLC.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served upon all parties receiving the Court's ECF e-mail notification for this case on August 21, 2020, including counsel listed below:

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